

April 25, 2007

Robert Emerson, State Budget Director  
111 S. Capitol Avenue  
Lansing, MI 48913

Dear Mr. Emerson,

In August 2006, over 71% of Traverse City voters said "No" to issuing bonds for a 530-space parking deck at 145 West Front Street. In February 2007, the City Commission declined to authorize the exploration of a lease/purchase agreement for 216 public parking spaces in the same development.

Brownfield tax credits need a public body to secure funding so, faced with serious public opposition, the developer turned to the County Brownfield Redevelopment Authority (BRA). In an unprecedented move, the BRA agreed to act as the necessary public body, allowing tax capture for this lease/purchase agreement. Please note that the initial \$5.4 million amount remains the same while the number of public parking spaces has been reduced by more than half.

The BRA board is appointed – not elected – yet it has the authority to allocate millions of tax dollars without public accountability. It approved the developer's proposal in less than a month.

One justification for this development is a March 2007 Economic Impact Analysis that states the project will create 80 new jobs. However, 65 of those jobs already exist. This is economic displacement, not economic development.

The county's Brownfield director, without benefit of any legal review, stated there will be no financial liability to the county. She also noted that the BRA is only obligated to own the public parking deck for 24 hours once the lease is paid off. The BRA has not yet determined who will be responsible for operation and maintenance of the deck, or who will eventually own it. Legitimate concerns expressed by elected officials and voters fall on deaf ears even though the potential long-term liability to county residents is huge.

This has all the indications of a train wreck destined to happen.

Given the State's current budgetary crisis, we urge you to examine the use of Brownfield funds for this project because it appears the concept of Brownfield tax capture is being abused. The contamination on this site is minimal and will be paid by a DEQ grant (if funding is released).

In closing, we would add that one co-signer of this letter is a Republican County Commissioner and the other, a Democrat, sits on the non-partisan City Commission. This letter is not politically motivated.

Sincerely,

Christine (Chris) Maxbauer, County Commissioner  
County of Grand Traverse  
400 Boardman Avenue, Traverse City, MI 49684

Denise (Deni) Scrudato, City Commissioner  
City of Traverse City  
400 Boardman Avenue, Traverse City, MI 49684

cc: Governor Jennifer Granholm  
Senator Jason Allen  
Representative Howard Walker  
Traverse City Record-Eagle

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